



Government of  
Saskatchewan

---

# **2006-2007 Annual Report**

---

Saskatchewan  
Agriculture  
and Food

---

Beef Development Fund



## Table of Contents

2008-01859/

Letters of Transmittal .....	2
The Beef Development Fund .....	3
Board Personnel .....	3
Activities Report 2006-2007 .....	4
BDF Completed Projects .....	5
BDF Ongoing Projects .....	10
Management Report .....	11
Auditor's Report .....	12
Financial Statements .....	13
Notes to Financial Statements .....	15
Project Payments .....	17

This annual report is also available in electronic format from the department's website at [www.agriculture.gov.sk.ca](http://www.agriculture.gov.sk.ca).

## Letters of Transmittal



To His Honour,  
The Honourable Dr. Gordon L. Barnhart  
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2007.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in dark ink, appearing to read "Mark Wartman".

Mark Wartman  
Minister of Agriculture and Food

---

The Honourable Mark Wartman  
Minister of Saskatchewan Agriculture and Food  
Room 302, Legislative Building  
Regina, Saskatchewan  
S4S 0B3

Dear Sir:

I am pleased to present herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2007.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Gordon L. Barnhart".

## The Beef Development Fund

The Beef Development Fund (BDF) supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, technology transfer, and development and promotion of new products.

The BDF was established in 1994 utilizing funds saved due to the termination of the National Tripartite Stabilization Program for Cattle and the marketing surplus from the Saskatchewan Beef Stabilization Board marketing account.

**Funding under this program has been fully committed and BDF will no longer accept applications for funding.**

## Board Personnel

### Board of Directors

Mr. Keith Howse, Chairperson . . . . . Pangman  
Ms. Sandra Schneider (member at large). . . Medstead  
Mr. Harold Yelland. . . . . Porcupine Plain  
Mr. Calvin Knoss . . . . . Rockglen  
Mr. George Siemens. . . . . Fiske  
Mr. Lorne Cholin . . . . . Kerrobert

### Staff

Staff services are provided through the Agriculture Research Branch and Corporate Services Branch of the Saskatchewan Department of Agriculture and Food.

Dr. Henry Soita . . . . . Secretary  
Mr. Ken Petruic . . . . . Financial Manager  
Ms. Tammy Bast . . . . . Database Co-ordinator/  
Financial Records  
Ms. Wendy Darmochid . . . . . Financial Records

## **Activities Report 2006 - 2007**

This report covers the 2006-07 fiscal year of operation of the Saskatchewan Beef Development Board (SBDB).

### **Background**

The Saskatchewan Beef Development Board (SBDB) was established on June 28, 1994, to administer the Beef Development Plan and utilize the funds saved due to the termination of the National Tripartite Stabilization Program and the surplus from the Saskatchewan Beef Stabilization Board marketing account.

The funding available to the SBDB on a one-time basis was \$1.8 million from the Saskatchewan Beef Stabilization Board marketing account and \$1.4 million from the provincial government for the transition of the Beef Industry Development Fund (to replace the provincial share in the National Tripartite Stabilization Program funds).

The SBDB supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, including nutrition, management, disease prevention and pest control, reproduction, animal welfare, and environmental impact, technology transfer, and development and promotion of new products.

### **Activities in 2006-07**

No Board activity during this fiscal year. Project payments continue as scheduled.

## BDF Completed Projects

### 19950337 - Semen Collection in Beef Bulls

- to explore an alternative means to electro-ejaculation for semen collection from untrained beef bulls

Barth, Albert, Veterinary Teaching Hospital/Herd Medicine, Western College of Veterinary Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

### 19950338 - Mapping Production and Carcass Traits by Microsatellite Typing in Beef Reference Families

- to make extensive use of the bovine gene map to find genetic linkage between production and carcass quality data and genetic markers in beef reference families, a process known as reverse genetics

Mackay, George, Bova-Can Parentage Testing Inc., 15 Innovation Blvd., SASKATOON SK S7N 2X8

### 19950339 - Development of Simple Blood Tests to Improve Detection of Disease

- to develop rapid, accurate, and cost-effective methods for monitoring disease in cattle
- to develop tests to measure aspects of the early inflammatory response which will be of diagnostic and prognostic value

Godson, Dale, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

### 19950340 - The Industrial Reorganization of the Beef Production Industry: Saskatchewan Niche

- to investigate the industrial reorganization that is currently taking place in the beef production industry in North America
- to determine where Saskatchewan's niche can best be developed
- to accomplish preparing a comprehensive business plan which will include a human resource plan, a marketing plan, an operations plan, and a financial plan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

### 19950341 - Investigation of Interleukin-8 Expression in Bovine Pneumonia and Arthritis

- to determine whether interleukin-8, a protein made in diseased tissue that acts to cause infiltration of neutrophils (a type that often causes tissue damage), is made in tissues from cattle with naturally occurring pneumonia or arthritis

Sorden, D. Steven, Veterinary Pathology, VIDO, 52 Campus Drive, SASKATOON SK S7N 5B4

### 19950343 - Beef Product Quality Program

- to establish an applied research and new product development capability specifically for beef

Shand, Phyllis, Saskatchewan Food Innovation Program, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

### 19950344 - Demonstrations Of Automated Ultrasound Grading System to Cow-Calf Operators, Large Commercial Feedlot Operators and Pure Breed Operators

- to improve the software package developed in Phase III by providing feedback from demonstrations
- to improve the usability of the marbling software by understanding the needs of users
- to develop a strategy to market Saskatchewan beef based upon the effective use of predicting carcass grade in cattle destined for Canadian, American and other international markets
- to evaluate the performance of field tests at bull test stations

Johannesen, Sharron, Saskatchewan Cattle Feeders Association, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

### 19950345 - Immunocastration of Bulls: Effects on Aggressive Behaviour and Carcass Quality

- to eliminate aggressive behavior in feedlot bulls especially during the finishing phase, capitalize on the superior growth, feed efficiency and lean carcass yield observed in bulls, eliminate dark cutting and reduced tenderness observed in bulls and to test an alternative humane castration procedure

van Kessel, A.G., Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

**19950346 - Request for Development of a Business Plan and Initial Seed Money for the Establishment of a Beef Research Centre**

- to develop a business plan and initial seed money for the establishment of a beef research centre

Laarveld, Bernard, Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

**19950347 - Integrated Backgrounding and Finishing Systems for Specific Markets (Melfort Phase)**

- to develop new pasture and forage based systems for lower production costs for backgrounding calves
- to determine the economics of the various new forage backgrounding systems

McCartney, Duane, Agriculture and Agri-Food Canada, 6000 C and E Trail, LACOMBE AB T4L 1W1

**19950359 - Fall and Winter Backgrounding of Beef Calves on Pasture**

- to evaluate the production and economic feasibility of growing weaned beef calves from 550 lb. to 900 lb. on pasture during fall and winter in southwestern Saskatchewan

Jefferson, Paul, G., Agriculture and Agri-Food Canada, P.O. Box 1030, SWIFT CURRENT SK S9H 3X2

**19950362 - Bovine Trichomoniasis: Prevalence in Saskatchewan and Improved Diagnostic Methods**

- a province-wide survey of veterinary practitioners will give accurate data on the prevalence and risk factors for infections. The sensitivity and specificity of the present diagnostic methods for trichomoniasis are unsatisfactory. Required improvements will be sought, tested and made available to laboratories and veterinarians

Campbell, John, R., Department of Herd Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

**19950364 - Oral Vaccination of Neonatal Calves: Induction of Long-Term Immunity**

- The adenovirus vaccine vector offers an effective method to deliver vaccine antigens directly to the site where immune responses first develop in newborn calves and in this way bypass problems associated with the immature system of newborn calves. Furthermore, the delivery of antigens directly to the site where the immune system first develops may induce lifelong immunity. Finally, oral immunization offers the potential advantage of being incorporated with current management practices (i.e. ear tagging and dehorning newborn calves)

Griebel, Philip, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

**19950365 - Series of Bovine Information Brochures**

- to assist both new as well as existing producers. By providing knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production, we hope to reduce the number of downer and condemned animals filtered through the auction markets.

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

**19950366 - To Establish "SaskBeef" as a Neutral Beef Industry Forum**

- to bring all stakeholders, involved in the development of the beef industry in Saskatchewan, together in an ongoing open forum. To provide an industry-wide team approach to promote the development of the beef industry.

Braaten, Milt, Saskatchewan Cattle Feeders Association, Box 116, ABBEY SK S0N 0A0

**19960291 - Alternative Methods of Semen Collection in Beef Bulls**

- to develop alternative methods for routine semen collection from untrained beef bulls
- Barth, Albert, Veterinary Teaching Hospital/Herd Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4



#### **19960292 - Cattle FACS**

- to assist both new as well as existing producers
- to provide knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

#### **19960295 - A Risk Management Option for the Saskatchewan Cow-Calf Producer**

- to examine the potential benefits of a cow-calf/backgrounder price risk management tool that uses the Chicago Mercantile Exchange Feeder Cattle Futures contracts.

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

#### **19960296 - Demand for Value-Added Beef Products**

- to assess the current and potential status of further processing of manufacturing and grinding beef in Saskatchewan in a Canadian context
- to investigate the consumer preferences of such processed products
- to examine the domestic marketing chain for beef products

Shand, Phyllis, Saskatchewan Food Talk, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

#### **19960301 - Impacts of Livestock Penning on Groundwater Quality**

- to characterize existing feedlots as to the amount and rate of transport of materials from feedlot manure through the unsaturated soil system and the saturated groundwater system

Maule, Charles, Agricultural Bioresource Engineering, University of Saskatchewan, 57 Campus Drive, SASKATOON SK S7N 5A9

#### **19960379 - Optimizing Pasture Production by Using Mixtures of Native Shrubs and Legumes in Southwestern Saskatchewan**

- to optimize mixtures of shrubs and forbs for economical production of pasture
  - to obtain better understanding of mutual benefit of combinations of native forage shrubs and legumes to further improve their productivity
- Schellenberg, M.P., Agriculture and Agri-Food Canada, Box 1030, SWIFT CURRENT SK S9H 3X2

#### **19970177 - Core Funding for FACS**

- to secure a three-year Corporate Membership from the Saskatchewan Beef Development Fund to contribute as a Core Funder

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

#### **19970375 - Novel Vaccine Delivery Methods**

- to examine methods of vaccine delivery, intranasal and transdermal
- to compliment the ongoing research in this area at VIDO

Baca-Estrada, Maria, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

#### **19970380 - Development of Bovine Adenovirus as a Vector**

- to develop adenovirus as a vector to deliver vaccines

Babiuk, Lorne, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

#### **19970382 - An Economic Analysis of Retained Ownership Strategies**

- to analyze the impact of alternative ownership strategies on the profitability and cash flow of cow/calf producers in Saskatchewan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

#### **19980226 - "Reaching the Roots" Appraising Cattle Producers of Quality Improvement Targets and Management Methods**

- to increase the awareness of factors influencing the quality and safety of beef products "from pasture to plate"

Smith, Nikki, Saskatchewan Cattle Feeders Association, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

#### **19980230 - Field Test Method for Blue-Green Algae Toxins**

- to develop and/or verify a cost-effective and practical field test kit that can be used to detect the presence or absence of the toxins produced by blue-green algae within any type of water supply prone to their growth

Bauer, Jim, Canadian Water Resource Association, P.O. Box 1329, CAMBRIDGE ON N1R 7G6

#### **19980354 - Development of Rations for Veal Production with Holstein Bull Calves**

- to develop and evaluate cereal grain based rations for production of red veal

Christensen, D., University of Saskatchewan, 51 Campus Drive, Department of Animal and Poultry Science, SASKATOON SK S7N 5A8

#### **19980355 – Health and Feeding Management Strategies for Newly Weaned Calves**

- to develop receiving protocols and restricted feeding programs for cattle backgrounded and finished under Saskatchewan environmental conditions

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

#### **19980356 - Electric Fence Energizer Evaluations**

- to evaluate a maximum of 12 electric fence energizers for effectiveness of this operation. These evaluations will be available to the public through the Prairie Agricultural Machinery Institute's (PAMI) information services

Lucyshyn, Troy, PAMI, Box 1150, HUMBOLDT SK S0K 2A0

#### **19980360 - Vaccine Delivery for Oral Immunization of Calves**

- to develop vaccine delivery systems to orally immunize newborn calves

Griebel, Philip, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Rd., SASKATOON SK S7N 5E3

#### **19980361 – Effects of Castration Techniques and Anesthetics on Behaviour and Performance of Feedlot Bulls**

- to determine if pain of castration of feedlot bulls varies between surgical and rubber ring methods

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

#### **19980362 - Investigation of the Role of Bovine Virus Diarrhea and Mycoplasma Bovis in Chronic Pneumonia of Feedlot Cattle**

- to clearly define BVD virus, mycoplasma bovis

and other agents in chronic pneumonia in feedlot cattle

Wobeser, A., Gary, WCVN, 52 Campus Drive, SASKATOON SK S7N 5B4

#### **19990188 - Corporate Membership in FACS**

- to secure a three-year Corporate Membership from the Saskatchewan Beef Development Fund to contribute as a support of the Farm Animal Council's Core Activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th St. W., 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

#### **19990391 – Founding Partner Membership in the Western Beef Development Centre Inc.**

- to obtain a founding partner membership with the BDF and to continue to make an ongoing contribution to the production and distribution of information to beef cattle producers

LaClare, John, Western Beef Development Centre, 203 – 105 North Road, SASKATOON SK S7N 4L5

#### **19990392 – Beef Quality Assurance and Food Safety Projects for Saskatchewan**

- to provide a technical and program update to qualified speakers in Saskatchewan
  - to focus communication efforts and assess communication tools/program
  - to assist administration of projects in Parts A, B, C, and E
  - to cover costs of speaker expenses
- Smith, Nikki, Saskatchewan Beef Quality Working Group, Site 12 GB 259 RR4, Saskatchewan Cattle Feeders Association, SASKATOON SK S7K 3J7

#### **20000322 - Hot Box Competition**

- to host a new organized event by the Regina Academy of Chefs and Cooks

Perrin, Joan, Beef Information Centre, #8 2010 7<sup>th</sup> Avenue, REGINA SK S4R 1C2

#### **20000340 – An Assessment of Western Canadian Beef Development**

- to investigate and analyze the implications of transforming cropland to livestock for at least two representative rural municipalities in Saskatchewan

Centre for Studies in Agriculture Law and Environment (CSALE), University of Saskatchewan, SASKATOON SK S7N 5A2

**20010122 – Delivery of On-Farm Quality Assurance to Saskatchewan Producers**

- to hire a provincial on-farm delivery co-ordinator (in relation to the Canadian Cattleman's Quality Starts Here Program)

Smith, Nikki, Saskatchewan Beef Quality Working Group, Site 12 GB 259 RR4, Saskatchewan Cattle Feeders Association, SASKATOON SK S7K 3J7

**20010340 – Canadian Production Re: High Status Seed of the United States Public Forage Varieties Under Agreement with the United States Department of Agriculture (USDA)/State Crop Improvement Associations**

- to access, quarantine, increase and release on a cost recovery basis genetic material not always available in Canada and/or where Canadian material access is restricted
- work wherever possible with Canadian material even on a contact basis while encouraging more access be made for Canadian public funded releases

Pocock, Dale, Saskatchewan Crop Improvement Association, Box 749, NIPAWIN SK S0E 1E0

**20010342 – Prevalence and Risk Factors for E. COLI O157:H7 in Western Canadian Cow-Calf Herds**

- to measure the prevalence of E.coli O157:H7 in the feces of calves from commercial herds at calving
- to describe risk factors at the herd and individual animal level for the occurrence of E.coli O157:H7. To then use this information to aid in the development of management practices to decrease environmental and human health risks.
- to determine to what extent this organism is associated with calf sickness and death loss in cow/calf herds

Waldner, Cheryl, Western College of Veterinary Medicine (WCVN), 52 Campus Drive, SASKATOON SK S7N 5B4

**20010343 – Corporate Membership in FACS**

- to secure a three-year Corporate Membership from the Saskatchewan Beef Development Fund to contribute as a support of the Farm Animal Council's Core activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502 – 45<sup>th</sup> Street West, 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

**20020005 - "Downer Cow Syndrome" in Beef Cows Fed Wintering Rations Based on Green Feed**

- to work with a selected number of beef producers (five to six) in the northwestern region of Saskatchewan to identify what factors led to the development of grass tetany/milk fever like symptoms in over 70 herds in the northwestern region of Saskatchewan during the 2002 calving season

McKinnon, John, Department of Animal and Poultry Science, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

**20020240 – Evaluation of the NRC 1996 Feed Requirements for Wintering Beef Cows - Are We Over-Feeding Our Cows/ Phase 2 Lacombe Alberta**

- to measure the actual energy requirements and energy expenditures of feed efficient beef cows in different body condition

McKinnon, John, Department of Animal and Poultry Science, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

**20020254 – Cattle FACS**

- to expand on the Cattle FACS Series concept by producing a number of brochures relevant to drought related issues

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

**20040605 - Delivery of the Verified Beef Production Program in Saskatchewan**

- to maintain the momentum being experienced within the Verified Beef Production Program
- Long, Dave, Saskatchewan Beef Quality Working Group, Box 189, VIBANK SK S0G 4Y0

**20030604 – Value-Added Beef Program**

- to provide a co-ordinated research, new product development and process improvement training in an effort to assist in the expansion and diversification of the Saskatchewan beef processing industry and to enable the province's meat processors to improve the efficiency and profitability of their operations

Shand, Phyllis, University of Saskatchewan, Saskatchewan Food Innovation Program, 51 Campus Drive, SASKATOON SK S7N 5A8

---

## BDF Ongoing Projects

### 20030609 – Corporate Membership in FACS – 2005 – 2007

- to secure a three-year corporate membership from the Saskatchewan Beef Development Fund to contribute as a support of the Farm Animal Council's core activities

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2<sup>nd</sup> Floor, SASKATOON SK S7L 6H2

### 20030610 – Economics of Forage Based Production Systems for Saskatchewan

- to determine the production potential and quality of new and established forages under grazed conditions
- to determine total beef production per acre from a managed twice-over rotational system (Manske)
- to determine the economic returns of forage and beef production from these pasture types
- to determine the net return to equity per acre from grazing grass, legume and mixed forage stands
- to use the results to make recommendations to Saskatchewan producers and SAF agrologists as to grazing and economic potential for these forages

Lardner, Bart, Western Beef Development Centre, Box 1900, HUMBOLDT SK S0A 2A0

### 20040607 - Low-Cost Winter Feeding Systems for Cow-Calf Producers

- to evaluate the effect of winter feeding systems on cow performance and reproductive efficiency
- to evaluate the efficiency of confined and field cow-wintering system for managing nutrients from beef cattle manure for the subsequent annual crop
- to evaluate economic differences (total cash and overhead costs) between these systems. Comparison of the annual inputs to each system of labour, equipment, energy, etc. for cycling of nutrients to annual cropland

Lardner, Bart, Western Beef Development Centre, Box 1900, HUMBOLDT SK S0A 2A0

### 20040608 – Hydrological Water Balance of Prairie Cattle Feeding Operations

- to define the hydrology of prairie cattle feedlot operations with emphasis placed on determination of pen runoff. To date (2002-2004) one feedlot has been monitored (Eston). However, closure in 2003 has resulted in a poor data set. In spring 2005 the project will expand to three or four active feedlots near Saskatoon. The project will entail two years of monitoring (2005-2006) with final report due December 2006

Maule, Charles, Agriculture and Bioresource Engineering, University of Saskatchewan, 57 Campus Drive, Saskatoon SK S7N 5A9

### 20040609 – Distribution, Seasonally, and Persistence of Mycobacterium Paratuberculosis (Johne's Disease) in the Environment of Cow-Calf Farms in Western Canada

- to determine what environmental areas, including water sources, on a cow-calf farm become contaminated with *M. paratuberculosis* and how long these areas remain infective
- to establish if there are seasonal influences that affect the environmental contamination of these areas
- to determine if environmental sampling has a role as a potential diagnostic testing alternative on cow-calf farms

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

### 20050759 – TECHNOLOGY TRANSFER ACTIVITIES OF THE SASKATCHEWAN BEEF INDUSTRY CHAIR

- to develop closer ties between the beef industry and groups involved in conducting beef research in the province

Classen, Henry, Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

---

## Management Report

Management is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on management's systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are appropriately recorded in order to permit preparation of financial statements; and, assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board meets periodically with management to satisfy itself that management's responsibilities are properly discharged, and reviews and approves the financial statements and annual report.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on the following pages.

The financial statements have been examined and approved by the Board.

Submitted by:

Mr. Harvey Brooks  
Deputy Minister  
Saskatchewan Agriculture and Food

Mr. Ken Petruic  
Manager, Financial Services  
Saskatchewan Agriculture and Food

July 21, 2007



**Provincial Auditor Saskatchewan**

1500 Chateau Tower  
1920 Broad Street  
Regina, Saskatchewan  
S4P 3V2

Phone: (306) 787-6398  
Fax: (306) 787-6383  
Web site: [www.auditor.sk.ca](http://www.auditor.sk.ca)  
Internet E-mail: [info@auditor.sk.ca](mailto:info@auditor.sk.ca)

SASKATCHEWAN

**AUDITOR'S REPORT**

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Beef Development Board as at March 31, 2007 and the statement of revenue, expense and net assets for the year then ended. The Fund's management is responsible for preparing these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan  
August 7, 2007

Fred Wendel, CMA, CA  
Provincial Auditor



---

## Financial Statements

### Statement 1

#### Beef Development Board Statement of Financial Position As at March 31

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current assets		
Due from General Revenue Fund (Note 4)	\$ 307,625	\$ 414,348
Accrued interest receivable	<u>3,462</u>	<u>3,700</u>
	<u>\$ 311,087</u>	<u>\$ 418,048</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ --	\$ 26,840
Net assets (Statement 2)	<u>311,087</u>	<u>391,208</u>
	<u>\$ 311,087</u>	<u>\$ 418,048</u>

(See accompanying notes to the financial statements)

**Statement 2**

**BEEF DEVELOPMENT BOARD**  
**STATEMENT OF REVENUE, EXPENSE AND NET ASSETS**  
For the Year Ended March 31

	Budget <u>2007</u>	<u>2007</u>	<u>2006</u>
<b>Revenue</b>			
Interest revenue	\$ 3,527	\$ 15,199	\$ 13,824
Miscellaneous revenue	<u>      </u>	<u>24,168</u>	<u>2,107</u>
<b>Total revenue</b>	<u>3,527</u>	<u>39,367</u>	<u>15,931</u>
 <b>Expenditure</b>			
Project expenses (Note 5)	150,650	118,610	198,308
Board expenses	5,000	650	1,118
Miscellaneous expenses	<u>2,500</u>	<u>228</u>	<u>--</u>
<b>Total expenditure</b>	<u>158,150</u>	<u>119,488</u>	<u>199,426</u>
 Deficit for the period	 \$ <u>(154,623)</u>	 (80,121)	 (183,495)
Net assets, beginning of year		<u>391,208</u>	<u>574,703</u>
Net assets, end of period - to Statement 1		<u>\$ 311,087</u>	<u>\$ 391,208</u>

(See accompanying notes to the financial statements)



---

## **BEEF DEVELOPMENT BOARD NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2007

### **1. Authority**

The Beef Development Board (Board) was established pursuant to Section 4 of *The Agri-Food Act 2004* to administer the Beef Development Plan. The Beef Development Plan was established effective June 28, 1994 to enhance the Saskatchewan beef and beef cattle industry through research, development and promotional activities that the Board considers to be in the best interests of the industry.

The Board administers the Plan through the Beef Development Fund.

### **2. Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant:

#### **a) Research and Development projects**

Payments for research and development projects are recorded as project expenses when approved and the eligibility criteria, if any, have been met by the recipient.

### **3. Financial Instruments**

#### **Receivables/Payables**

These financial instruments include items that are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates their fair value.

### **4. Related Party Transactions**

Included in these financial statements are transactions with Saskatchewan Crown agencies related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

The money of the Beef Development Board is deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the Beef Development Board. Interest is paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate for 2006/2007 is 4.15% (2005/2006 is 2.82%).

The Board receives the use of office and administrative services from the Department of Agriculture and Food without charge.

Other transactions with related parties and amounts due to/from them are disclosed separately in the financial statements and notes thereto.

## 5. Research and Development Projects

Project expenses are as follows:

	<u>2007</u>	<u>2006</u>
Saskatchewan Quality Starts Here	\$ 14,000	\$ 56,000
University of Saskatchewan	67,770	109,468
Western Beef Development Centre	11,840	11,840
Farm Animal Council of Saskatchewan	5,000	5,000
Prairie Agricultural Machinery Institute	<u>20,000</u>	<u>16,000</u>
	<u>\$ 118,610</u>	<u>\$ 198,308</u>

## 6. Commitments

At March 31, 2007, the Board has approved projects for payment in the following years.

2007/2008	\$ 92,235
2008/2009	\$ 67,000
2009/2010	\$ 24,600
2010/2011	\$ 15,000

## 7. Budget

The Board approved the budget on March 9, 2006.

## 8. Cash Flow Statement

No cash flow statement is presented because the required cash flow information is readily apparent from the other financial statements.

## 9. Significant Events

On March 9, 2006, the Board agreed to wind down its existence and request repeal of the applicable Regulations of *The Agri-Food Act*. The Regulations have not yet been repealed as of March 31, 2007.

## Project Payments

Please note: The following project payments represent only the payments made in the 2006-2007 fiscal year. These amounts do not reflect total project contract amounts for these initiatives.

Department of Animal and Poultry Science University of Saskatchewan	Evaluation of NRC 1996 Feed Requirements for Wintering Beef Cows - Are We Overfeeding Our Cows/ Phase 22 Lacombe Alberta	\$ 8,000
Department of Engineering, Agricultural Bioresource University of Saskatchewan	Hydrological Water Balance of Prairie Cattle Feeding Operations	\$ 6,000
Department of Herd Medicine and Theriogenology University of Saskatchewan	Distribution, Seasonally, and Persistence of Mycobacterium Paratuberculosis (Johne's Disease) in the Environment of Cow-Calf Farms in Western Canada	\$ 9,370
Farm Animal Council of Saskatchewan (FACS)	Corporate Memberships in FACS - 2005-2007	\$ 5,000
Saskatchewan Beef Quality Working Group	Delivery of the Verified Beef Production Program in Saskatchewan	\$ 14,000
Saskatchewan Food Innovation Program University of Saskatchewan	Value-Added Beef Program	\$ 44,000
Western Beef Development Centre/Prairie Agricultural Machinery Institute	Economics of Forage Based Production Systems for Saskatchewan	\$ 11,840
Western Beef Development Centre/Prairie Agricultural Machinery Institute	Low-Cost Winter Feeding Systems for Cow-Calf Producers	\$ 20,000

